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#### REFERÊNCIA

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## ECONOMIC GLOBALIZATION FROM BELOW

*Gustavo Lins Ribeiro*

Discussions on globalization tend to focus on processes commanded by powerful agents in a top-down perspective. In this article, I will explore “alter-native” economic processes and agents and a form of non-hegemonic globalization. “Trader-tourists” and street vendors of global gadgets, for instance, are but the tip of the iceberg, in a huge parallel global economy. Their activities are non-hegemonic because they defy the economic establishment everywhere. Grassroots economic globalization provides access to flows of global wealth that otherwise would not reach the more vulnerable ranks of any society. My reasoning is mainly based on Brazilian and Paraguayan examples, but there are evidences of the existence of a veritable popular world system.

KEYWORDS: globalization from below, popular global markets, informal economy, transnationalism

Hegemonic globalization has been characterized by multinational and transnational agents’ actions to seek out neoliberal capitalist goals: state reduction, structural adjustment, privatization and support for private enterprise and capital, redirection of national economies towards foreign markets, free global trade, weakening labor legislation, scaling down or phasing out the welfare state, etc.<sup>1</sup> Financial capital and transnational corporations are often considered as the main agents of globalization. Indeed, the discussion on globalization tends to focus on processes commanded by powerful agents and agencies in a top-down perspective, thus ignoring other processes. Nonetheless, there is a growing body of literature on “globalization from below”, almost exclusively focused on political resistance movements to neoliberal globalization. Its main subjects are global civil society, transnational social movements and activists (see, for instance,

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Aguiton 2003; Edwards and Gaventa 2001; Keane 2003; Keck and Sikkink 1998; Rosenau 1992; Seoane and Taddei 2001; Vieira 2001; Yuen 2001). This bias hinders researchers from seeing other forms of non-hegemonic globalization especially the one I call “economic globalization from below”. I want to shed light on the hidden side of globalization’s political economy, the one in which nation states’ normative and repressive roles are heavily bypassed on the economic sphere. With a view to understanding “other globalizations”, I will explore “alter-native” economic processes and agents.

The most visible actors in economic globalization from below, street vendors of global gadgets, for instance, are but the tip of the iceberg, in a huge parallel global economy. I call it non-hegemonic globalization not because its agents intend to destroy global capitalism or to install some kind of radical alternative to the prevailing order. They are non-hegemonic because their activities defy the economic establishment everywhere on the local, regional, national, international and transnational levels. Consequently, they are portrayed as a threat to the establishment and feel the power of political and economic elites who wish to control them. The attitudes states and corporations hold towards them are highly revealing. Most of the time such activities are treated as police matters, as the focus of elaborate repressive action. Non-hegemonic economic globalization is a huge universe that does involve illegal activities, such as human and organ smuggling, that need to be repressed. They undoubtedly involve drug-trafficking too. All the same, workers, such as street vendors, whose “crime” is to work outside of the parameters defined by the state, are an expressive part of non-hegemonic globalization. It is not my intention to glamorize criminality. However, I want to distance myself from a discussion that is basically state-centric or, in the best cases, has been strongly circumscribed by state norms and regulations, by definitions of what is legal and illegal, often reflecting the history of power relationships among differentiated social segments and classes (for an interesting book on related issues see Heyman 1999). In constructing another angle, I am seriously taking into account one of anthropology’s most powerful assets: the consideration of the agent’s points-of-view.

Non-hegemonic economic globalization is structured by diverse types of segments and networks that congeal in a pyramidal fashion. At the top there are money-laundering schemes, Mafia like activities, all sorts of corruption. However powerful and elitist many of the agents involved in the parallel global economy may be, they cannot act on their own. There is massive involvement from poor people in the lower segments of this pyramidal structure. For these social actors, non-hegemonic globalization is a way of making a living or of upward social mobility. Networking and brokerage cement this global structure in ways that are comparable to what I have called “consortiation”, a process that is typical of articulations among transnational, national, regional and local agents around

multi-billion large-scale infrastructure projects (Ribeiro 1994, 2002). The activities at the bottom of this pyramid are what I call real globalization from below. They provide access to flows of global wealth that otherwise would never reach the more vulnerable ranks of any society or economy. They either open an avenue for upward mobility or the possibility of survival in national and global economies that are not capable to provide full employment for all citizens. I am thus more interested in this segment of the non-hegemonic economic globalization than in its upper echelons.

### **Grassroots economic globalization: the Foz do Iguaçu/Ciudad del Este transfrontier and the Paraguayan fair in Brasília**

I will describe the activities of economic globalization from below as practiced in the “social transfrontier space” formed by the Brazilian city of Foz do Iguaçu and the Paraguayan Ciudad del Este. Subsequently I will describe one of the largest and most controversial global gadgets markets within Brazil, the so-called Paraguayan Market in Brasília, the country’s federal city.

#### *Ciudad del Este/Foz do Iguaçu: social transfrontier as global fragmented space*

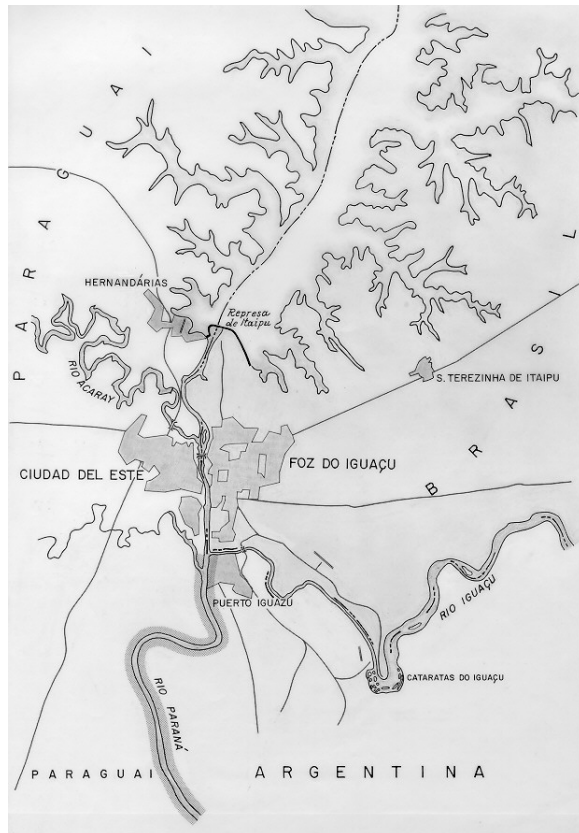
The 3,940 km-long Paraná River in South America is second only to the Amazon. It is also where the most known South-American borders are located. The so-called Tri-Country Border area has frontiers that separate Argentina, Brazil and Paraguay (see map 1). In this area, there are three cities, located in each country, that make up an international urban system linked by two international bridges. Foz do Iguaçu is a Brazilian city linked to the Argentinian Puerto Iguazú through the Tancredo Neves bridge (opened in 1985), and to the Paraguayan Ciudad del Este through the *Ponte da Amizade* (opened in 1965), Portuguese for “Friendship Bridge”.

Nation-states	Area	Population	State or equivalent	City	Population	Bridge
Argentina	3,761,274 km <sup>2</sup>	36 million (2001)	Misiones	Puerto Iguazú	321,038	Tancredo Neves
Brazil	8,514,876 km <sup>2</sup>	170 million (2000)	Paraná	Foz do Iguaçu	258,543	T. Neves /Amizade
Paraguay	406,752 km <sup>2</sup>	5.1 million (2002)	Alto Paraná	Ciudad del Este	222.274	Amizade

Table 1 — Tri-border area.<sup>2</sup>

<sup>2</sup> Source: Rabossi (2004: 309).

The famous Iguaçu Falls, one of the world's largest waterfalls, are located in the same area on the Iguaçu river on the Brazil-Argentina border. They attract thousands of tourists to Puerto Iguazú (Argentina) and to Foz do Iguaçu (Brazil). Besides global and national tourism there are other globalizing forces that have given the area its particular characteristics. One of them the Tri-country Border Area shares with many other borders around the world: smuggling has existed in the area since colonial times (Grimson 2003). The other was the construction in the 1970's and 80's of a binational Brazilian-Paraguayan "development project", Itaipu, the second largest hydroelectric dam in the world. The Itaipu construction was a major happening of hegemonic globalization for it brought together impressive amounts of labor, technology, transnational capital and elites, and meant rapid population growth especially for the cities of Foz do Iguaçu and Ciudad del Este. Finally, the environmental movement has put the area's tropical forests in the global green map and the U.S. imperial security discourse after September 11 has identified the Tri-country border as a haven for terrorists (Ferradas 2004).



Map 1 – Tri-border area.<sup>3</sup>

<sup>3</sup> Source: <http://www2.mre.gov.br/daa/amap1.html>.

The notion of “social transfrontier space” (Jiménez Marcano 1996) is useful in contemplating the particular relationships that develop in places such as the Tri-border Area. It allows for an understanding of the social, cultural, economic, political, and kinship relations social agents develop in border areas where the frontier line operates as a complex and rather flexible taxonomic device. States, their apparatuses, agencies and agents, are territorial entities that strive to control the areas under their jurisdiction. Much of the flexibility social agents experience in border zones is related to the inefficiency of state agents or to their connivance with other social agents operating within the confines of the transfrontier space. This notion also allows for the perception of different kinds of agents operating in a given space that necessarily transcends the control imposed by states. It is impossible to define where a social transfrontier space physically ends, especially because it is not created and managed by formal institutions. Since social transfrontier spaces traverse the classificatory logics of national states, the largest and most complex transfrontier spaces are often transnational realms prone to be global fragmented spaces linked to global circuits of people, goods and information. This is indeed the case with the Tri-country Border Area.

In spite of Puerto Iguazú’s importance in the tri-border area, especially in relation to domestic and international tourists that visit the Iguazú National Park and the waterfalls in Argentina (Mendonça 2002), the main social transfrontier space in that area is structured by the relationships between Ciudad del Este, in Paraguay, and Foz do Iguaçu, in Brazil. These two cities comprise a same field of relationships whose growth and complexity have become more accentuated in the last two or three decades. The two cities together are an important financial center and a major global trading center. They are also an ethnically segmented unit. Besides Paraguayans and Brazilians, in this social transfrontier space there is the presence of Arabs (especially from Syria and Lebanon; among them there are Christians and Muslims), Chinese and other less numerous ethnic groups.

My arguments will be based principally on research carried out by Fernando Rabossi (2004) and César Pérez Ortiz (2004) on Ciudad del Este. This option is consistent with the central role Ciudad del Este plays in attracting thousands of Brazilians that visit the city daily to buy imported goods and sell them in their home cities. These people sometimes travel more than 3,000 kilometers, they are veritable nomadic merchants, people that are always traveling between their hometowns and Ciudad del Este. In Portuguese they are called *sacoleiros*, literally “baggers”, in a reference to the many bags they carry back home full of gadgets and counterfeits which are sold in many street markets sometimes called Paraguayan markets. Brazilian “baggers” are an example of economic practices that are current worldwide and are part of what I call economic globalization from below (on Bulgarian trader-tourists see Konstantinov 1996; on the importance of the global counterfeit industry,

especially in East Asia, see Chang 2004). In this sense, these traders are alternative transnational agents.

States and major corporations everywhere, view these activities as illegal, a danger to national and global economies. Interestingly enough, these social agents and their activities are seldom taken into account in academic literature. Without a doubt, they have been relegated to studies that are often labeled with negative denominations as “shadow economy”. Terms such as “smuggling” and “piracy”, used to refer to these activities and social agents, reveal an ancient drive to control them since they mean “unfair competition” for traders and corporations and a major problem for tax-hungry states. The more neutral label “informal economy” seems to forget a crucial issue, that is, the definition of formality or informality is necessarily traversed by power relations. In the following pages, I will describe the activities of this global “informal” economy as it is observable in Ciudad del Este and in one of the largest and most controversial Paraguayan Markets within Brazil, the one located in that country’s Federal District, Brasília.

### *Ciudad del Este: a global fragmented space*

Ciudad del Este is the second most important city in Paraguay, after the capital Asunción. Located on the banks of the Paraná River in front of the Brazilian Foz do Iguaçu, from its beginning in 1957 the city’s fate was tied to its role as a gateway to Brazilian harbors through roads that cut through the Brazilian state of Paraná, reaching the Atlantic Ocean. This more than 730 km long corridor within Brazilian territory was to save landlocked Paraguay time and money. It also represented a geopolitical alternative to the river connection to the Atlantic through the Paraguay, Paraná and La Plata Rivers, heavily dominated by Argentina. The construction of the Friendship Bridge, financed by the Brazilian state, began in the mid 1950’s. The bridge was opened only in 1965.

Several measures were taken by the Paraguayan government to facilitate drawing tourists to Ciudad del Este. The qualitative transformation of the city’s economy occurred intensively during the 1980’s with the increase in the numbers of Brazilian “shopping tourists” who regularly visited Ciudad del Este, by then a city considered to be the largest shopping discount center in South America. Indeed, Ciudad del Este has grown to be one of the world’s major trading centers through the re-export of goods. Trader-tourists are attracted by the cheap prices on electronics and computer goods, global gadgets, counterfeits and other commodities, such as imported perfumes, clothes and alcoholic beverages. Many of these are expensive global status symbols. The middle classes often cannot afford to buy original brand products and end up buying fake copies abundantly found in the streets and stores of Ciudad del Este. Paraguay, especially Ciudad

del Este, is internationally accused of being a major piracy and smuggling center, a situation that is to a great extent sustained by the Paraguayan state's ambivalent position. On the one hand, it is difficult to effectively control this global informal economy's operations since part of the Paraguayan elite has been historically involved with it and corruption is rampant in both sides of the border. On the other hand, the state lacks the adequate infrastructure to control what is a huge and complex arrangement of numerous and powerful networks, many of which go beyond Paraguay's national territory. A similar situation exists on the Brazilian side. The major importance of Foz do Iguaçu as a money laundering center has been denounced many times by the Brazilian press and was the focus of a major investigation by Brazil's National Congress in 2004.

To understand the development of Ciudad del Este into a major center of the grassroots global economy we need to take into consideration the Brazilian legislation regarding the entry of imported goods to the country. All Brazilians traveling abroad and re-entering the country through a land border have to go through customs and can carry only a US\$ 300.00 quota of tax-free imported goods, an allowance valid for a month. This is why thousands of Brazilians and Paraguayans are constantly going to and from between the two cities. These people comprise the so-called "ant contraband," a mode of trying to evade customs control officials, unable to check all persons or vehicles coming into Brazil. Moreover, many of these officials are also involved in corruption.

Ciudad del Este is often cited as the third largest commercial city in the world, after Miami and Hong Kong (Rabossi 2004: 7). Ciudad del Este's economic force impacts upon a vast area of South America, including Argentina, Brazil, Uruguay, Chile and other Andean countries such as Bolivia. In Brazil, trader-tourists come as far away as from Recife and Fortaleza, two cities located more than 3,500 km away in the Northeast of the country (on trader-tourists from Porto Alegre, in Southern Brazil, see Machado 2005). Different sources quote highly variable estimates of Ciudad del Este's annual trading: from US\$ 2.5 billion to US\$ 15 billion (*idem*). Whatever the real size of Ciudad del Este's economic power, it is not reflected in the city's architecture or in its public services. If it were not for its hectic trading activities, for a few fancy shopping-centers and for the many foreigners who visit it, Ciudad del Este would resemble any other poor town in the region. Its downtown, where most of the trading activities are conducted, is strategically located near the Friendship Bridge and, in 2001, concentrated some 1,750 stores (Rabossi 2004: 39).<sup>4</sup> Fancy shopping centers, many stores, small shops and also thousands of street vendors and other workers in the grassroots globalization segment of the global economy can be found. The streets are full of people conducting all kinds of transactions: exchanging

<sup>4</sup> In 1994-1995, the best moments ever for the city's economic activities, there were more than 6,000 stores in the same area (Rabossi 2004: 62).



currencies, selling food, beverages, global gadgets, or attracting new clients to established businesses. Many of the social agents working in the transfrontier market, as in most trading activities, are brokers that make a living from the difference between what they buy and what they sell.

The major concentration of economic power, embedded in a political and social situation in which corruption has proliferated, represents fertile ground for a series of negative stereotypes to sprout about the city (Pérez Ortiz 2004). Ciudad del Este is often called the home of South American drug cartels, Chinese Triads, Japanese Yakuza, Italian gangsters, Russian gangsters, Nigerian and Hezbollah terrorists. A darker tone was to be added to the city's image after September 11, 2001. Since the Three Frontiers are home to thousands of Arab migrants and descendants, the area became a hot spot for the new North-American geopolitics, as it was suspected of being a haven for Muslim terrorists (see Ferradas 2004). Social transfrontiers are often seen as spaces out of state control and, as a result, are negatively valued by authorities and the media as zones prone to illegal activities. Such spaces, thus, can easily be manipulated by different political and economic interests since they are liminal zones, hybrids that mix people, things and information from many different national origins, and reveal nation-States' fragilities.

Ciudad del Este and Foz do Iguaçu comprise an ethnically segmented labor market. Many foreign merchants and most Brazilians who work in Ciudad del Este live in Foz do Iguaçu and cross the border daily to work in Paraguay. Many Paraguayans own imported goods stores in Foz do Iguaçu but live in Ciudad del Este. A 1998 survey carried out by Paraguay's Central Bank with 146 entrepreneurs of Ciudad del Este showed that 28% were Paraguayans; 27% Asians; 24% Arabs; 11% Brazilians and other 10% of non-specified origin (Rabossi 2004: 80). Lebanese and Chinese migrants started to arrive in Ciudad del Este in the late 1960's, early 1970's (Rabossi 2004: 205). There is a mosque in each city and Foz do Iguaçu has a Buddhist temple. Japanese and French schools may also be found in Ciudad del Este. The Arab segment is highly visible and is divided into Christians and Muslims, mostly from Lebanon, Syria and Palestine. Since the late 1950's, Lebanese have had a prominent role in Foz do Iguaçu's growth (Rabossi 2004: 47).

Languages of tourist traders from different parts of the world can be heard in this social transfrontier space. Furthermore, as a consequence of the ethnic segmentation, several languages are commonly spoken in Ciudad del Este. In addition to Spanish and Guaraní, the two languages spoken in bilingual Paraguay, Portuguese, Arabic, Cantonese, Taiwanese, English, Hindi and Korean (Rabossi 2004: 2) are the main spoken languages there. The Arab TV channel Al-Jazeera has long been watched in Ciudad del Este reinforcing the presence of Arabic as a language. Given the enormous flow of "shopping tourists" from Brazil, Portuguese has become a strategic trading language, a factor that has

created economic opportunities for the many Brazilians who work in Ciudad del Este in different occupations. Several surveys and assessments indicate that Brazilians make up the largest segment working in Ciudad del Este (Rabossi 2004: 81).

The Friendship Bridge is crossed by thousands of people everyday. In 2001, the daily average of vehicles and pedestrians crossing the bridge was of 18,500 vehicles and 20,000 pedestrians (Rabossi 2004: 42). These numbers include people who “cross the bridge only once (a minority), those who come and go at least once a day since they work in Ciudad del Este or Foz do Iguaçu and live on the other side of the border, and those who cross several times carrying loads, guiding someone or driving” (*idem*: 43). These people are the Brazilian baggers, “shopping tourists”, tourists from different countries, the *paseros* (Spanish for passers, meaning people whose job is to pass merchandise from one side of the border to the other) and *laranjas* (Portuguese for oranges, slang that designates false fronts, people who pretend to be buyers of certain types of merchandise but are really working for someone else, usually for a tourist trader). There are also the thousands who work transporting people and merchandise around in regular taxis, “moto-taxis” (motorcycles that are taxis), vans, trucks and buses. The Brazilian customs and Federal Police do not possess the adequate infrastructure to control such a multitudinous flow. The busiest days are Wednesday and Saturday, apparently because they are strategic for maximizing baggers’ weekly working schedules (Rabossi 2004: 89-90). Wednesdays and Saturdays also attract more buyers because these “shopping tourists” are eager to take advantage of the great numbers of people crossing the border, something that makes it more unlikely for a particular person or vehicle to be stopped by customs officials. Great numbers form a non-hegemonic strategy. Long lines often halt the dynamics of an economy that literally relies on movement. Sometimes, for different reasons, mainly due to the tightening of customs control on the Brazilian side, demonstrators may block the bridge creating lines of buses, trucks and cars that run for kilometers. These stalemates are often felt, in different ways, in the many other fragmented global spaces that are interconnected to Ciudad del Este, such as the 25 de Março street, in the city of São Paulo.

In this unique universe of movers and traders *paseros* stand out. Rabossi (2004: 46) considers that they are responsible for most of the deals and transportation of merchandise and correspond to some 5,000 passers, stratified according to those who carry the heavy loads on their backs, on bicycles, motorcycles or cars. In 2001, more than 500 passers were members of an Association of Eastern United Transporters in Paraguay. Moto-taxi drivers are also organized in associations (Rabossi 2004: 73). Nationality matters in this transfrontier labor market. *Laranjas*, for instance, are Brazilians, usually women who use their monthly allowance to enter Brazil with US\$ 300.00 of tax-free imported merchandise. They sell their rights and transportation services to the

bagger. *Laranjas* dread being stopped by the Brazilian customs. If this happens their entry will be registered and their right to use the US\$ 300.00 allowance will only be valid again within a month's time. If they keep working and are caught by custom officials within this period of time the merchandise on them will be confiscated (Rabossi 2004: 77-78).

There are flows that go both ways. There are Brazilian goods that are exported to Paraguay, especially cigarettes, to re-enter Brazil as "smuggled merchandises". At least in some periods, there is evidence that the importance of the Brazil-Paraguay flow was greater than that of the Paraguay-Brazil flow (Rabossi 2004: 47). According to Rabossi (p. 47), Brazilians control the flow of merchandise from Paraguay to Brazil. The financial flows between the two cities are highly complex and are often the target of different investigations by Brazil's Central Bank and Federal Police. Ciudad del Este has over 20 banks, several with headquarters in Brazil, Europe and the United States. A study of the Paraguayan Central Bank showed that, between 1991 and 1997, US\$ 900 million were transferred to Brazil (see Rabossi 2004: 66). Many armored cars transferring money from Paraguay to Brazil are part of the intensive vehicle flow over the Friendship Bridge.

Market place anthropology has taught, among other lessons, that markets are loci of inter-connections among different ethnic groups, ecological zones and production sites. Ciudad del Este is a place that inter-connects many different production sites. Further, given that the city is a major hub of grassroots globalization, it has connections with different fragmented global spaces in the non-hegemonic global economy. On the one hand, the Arab and Chinese diasporas are instrumental in making the international connections. On the other hand, Brazilian "baggers" are the concrete social agents that connect Ciudad del Este to different fragmented global spaces of popular globalization within Brazil. They usually are small entrepreneurs who run their own businesses in their hometowns, most of the time either as street vendors or as the owners of a stall in the so-called Imported Goods Markets. They are nomads – some travel twice a week — and seldom are cosmopolitans since most of the time they connect only two global fragmented spaces: the one where they buy their merchandise (Ciudad del Este, in our case) and their point of sale in Brazil. Their activities thus imply constant traveling, coming and going, sometimes as far as 3,000 km or more. They either take regular buses or, together with other colleagues, rent a "tourist" bus. Trips are long and tiresome and also very tense (see Pérez Ortiz 2004; Machado 2005). When shoppers go to Paraguay, they carry considerable amounts of cash, their earnings and profits, in order to replace the merchandises they have sold. When they go back home, they carry in the buses' baggage compartment many thousands of dollars in new merchandise. They fear many things. Buses can be robbed on the road either on their way to or from Paraguay. Their merchandise may be confiscated by the Brazilian customs in Foz do Iguaçu.

Buses can also be stopped by Federal Highway Patrol anywhere before reaching their hometowns. In this case, either the load is confiscated or steep bribes have to be paid. Last, but not least, accidents are also common and so this turns these people's trips into a permanent cause for concern among those waiting at home their return. Many baggers consider their trips to Ciudad del Este to be true Russian roulettes where anything can happen (Figueiredo 2001). Moreover, the merchandise bought in Paraguay may still be confiscated by Brazil's federal fiscal authorities during inspection raids on markets where they are sold.

Tourist traders do not see themselves as smugglers. Even the word *sacoleiros*, "baggers", is considered inappropriate to describe them. They see themselves as workers or traders and try to avoid the negative connotations often attached to their activities. They think of themselves as honest and hard-working people who have found an economic niche that should not be considered equal to illegal activities such as drug trafficking, money laundering and smuggling (for similar situations involving grassroots global trading between African countries, France, Germany and Italy, see MacGaffey and Bazenguissa-Ganga 2000). Indeed, there are smuggler rings in the Ciudad del Este/Foz do Iguaçu transfrontier that run complex and large operations which include the use of airplanes and large trucks, the kind of equipment to which trader tourists have no access. As many other informal market workers, trader tourists are ambiguous social agents: they are small entrepreneurs who wish to work honestly but who make money out of niches that escape state control. This ambiguity pervades the many contradictions between "baggers" and state authorities because these traders work in the open air; they sell their merchandises on the streets. Working in public spaces grants a visibility that turns them into political actors. They often organize themselves in associations, which become the collective actors that intermediate the relations between them, the state and politicians. It is not uncommon to see politicians hungry for votes become spokespersons for these social agents of grassroots globalization. In fact, these traders start to have more stable working conditions only after they become political subjects that represent some kind of asset to politicians. Consumers also have ambiguous feelings about them. While they know that the legality of baggers' activity is questionable, they enjoy having access to goods that are cheaper because they are not taxed or are fake copies. This is why it is so difficult to curb the expansion of what hegemonic economic actors call piracy and smuggling.

Anthropologists still have to make an effort to ethnographically understand this form of contemporary global nomadic trade. Chinese young men and women, for instance, who barely speak Portuguese, are often seen in the streets of Brasilia selling all kinds of global gadgets. West Africans are street vendors in New York and Washington. Africans are also transnational traders in France and other European countries (MacGaffey and Bazenguissa-Ganga

2000). Women from Cape Verde, the African archipelago, travel to Fortaleza, Brazil, to buy goods they will sell back home. These “connectors” of fragmented global spaces are often ethnic groups such as the Arabs, Chinese and Koreans in Brazil who may take advantage of their diasporic networks around the world. Indeed, Asians, mostly Chinese and Koreans have started to become an increasingly noticeable presence at Brasilia’s Paraguay Market, another major global fragmented space of grassroots economic globalization.

*The Paraguay Market in Brasilia: another global fragmented space.*

Brasilia is located some 1,600 km from Ciudad del Este. Nonetheless, the Paraguayan city is an important economic force in the life of thousands of Brasilia’s inhabitants. Many of them work in the more than 2,200 booths that make up the Imported Goods Market, today’s official name for the Paraguay Market. The Paraguay Market attracts a great number of shoppers from Brasilia and other cities – the Market has turned into a tourist attraction for those who visit the place looking for discounts on global status symbols. Hundreds of booths sell DVD, computers, cell phones, software, games, sunglasses, perfumes, cosmetics, clothes, sneakers, alcoholic beverages, the latest movie downloaded from the Internet, etc.

The Paraguay Market, like other global fragmented spaces of economic globalization from below, has a history related to urban economic cycles, migrations, street markets as a source of economic opportunities for the urban poor, and urban conflicts in which social movements, politicians and city authorities get involved time and again (Souza 2000). “Smuggling” is a federal crime in Brazil and almost everywhere, something that immediately attracts the federal authorities’ attention to a scenario that otherwise would engage only local authorities. This is even more so the case in a federal capital where the National Congress, the highest courts and state executive institutions are located, including those responsible for national security and repression of federal crimes. Many different kinds of national and international interest groups also have their offices in Brasilia. Besides being the seat of the Brazilian state, Brasilia has its own mystique as an urban center, since it was inaugurated in 1960 as the quintessential example of modernist ideology on urbanism and architecture. The planned city has 500 thousand inhabitants and was declared a World Heritage Site by UNESCO, a fact that has reinforced rules and regulations concerning Brasilia’s architecture and the use of its urban space. The first and foremost question Paraguay Market workers have had to deal with was how it has been possible that in the heart of Brazil’s capital a market of smuggled goods has grown.

The history of the Paraguay Market is a history of agents from the grassroots segment of the global economy struggling to become formal economic

agents. Since its inception in 1990, with 30 street vendors working in a parking lot along W3 South, a busy avenue, the market has rapidly spread into the more than 2,200 booths it has today. Its transformation from an informal open-air street market to a formal popular market of global gadgets was marked by a series of political struggles that lasted seven years. In July 1997, the Federal District government removed the open-air market to a new area, located in a less noble and visible place where the Paraguay Market remains up to today. After several political battles and street skirmishes the instability of the street vendors would come to an end. The local government designed a plan through which the “baggers” would become “micro-importers”. It was a way of moving these workers from the informal to the formal market. Now these traders were to pay taxes and to be respected as any other kind of merchant. The Paraguay Market was rechristened the Imported Goods Market. Over the years, a process of internal differentiation has occurred and some merchants have managed to control several stalls, thus expanding their business into fancy stores.

These grassroots globalization social agents are migrants who moved to Brasilia in search of economic opportunities. A research study carried out in 2001 (Figueiredo 2001) showed that 57.5% of them came from Brazil's northeastern region, the poorest in the country, and a traditional source of migrants to Brasilia. The greatest majority of these traders live in Brasilia's satellite cities, i.e. outside of the modernist planned city where the upper middle class lives. Ten per cent of these traders come from four northeastern cities, an indication of the effectiveness of social networks in the organization of migratory flows. These people are usually related and make up cliques, corporate groups that act in defense of their interests within the market, especially within the two associations that struggle to represent traders vis-à-vis the Federal District government. These associations are related to the two major political parties that dominate local politics. The associations' history is marked by the political alliances the street vendors had to make while working in the parking lots before they were moved to the new and definitive location.

Given its location in the federal capital, and its power to attract many thousands of consumers, the Paraguay Market gained great visibility in the Brazilian media. The Market was criticized by local merchants and shopping centers that accused street vendors of unfair competition since they did not pay taxes, or have heavy expenses with rents, employees' wages, décor and other items. Representatives for important industry lobbies located in São Paulo, the country's main industrial center, such as the Brazilian Toy Manufacturers' Association expressed their criticisms too. The Paraguayan Market was also criticized by representatives of Brazil's major export processing zone located in Manaus, more than 3,500 km from Brasilia, in the heart of the Amazon region, with its hundreds of manufacturers, mostly multinational corporation producers of electronic and computer goods. Brasilia's Paraguay Market became an example

of the federal government's incapacity to control smuggling and piracy. This combination of factors turned the Paraguay Market into a main political issue, debated in the National Congress, in different Ministries, and in different branches of the local executive and legislative powers. Brasilia's Paraguay Market indicates therefore how fragmented global spaces of non-hegemonic economic globalization interconnect not only economic agents and agencies located at different levels of integration but also political agents and agencies representing powerful established interests anchored in local, national and international dynamics. The fact that these political agents presented the Paraguay Market as a threat to law abiding institutions and citizens clearly indicates how these grassroots globalization activities are part of a non-hegemonic field. They need to be regulated and normalized in order to cease being a threat to the established order.

Brasilia's Paraguay Market is a rather expressive example of many other nodes of the popular world system. In Buenos Aires Central Market there are some 1,000 booths that sell merchandise bought in Paraguay to as much as 30,000 shoppers a day. Colombia is full of "San Andresitos," the markets named after the free trade zone on the Colombian island of San Andres in the Caribbean. Downtown Mexico City is full of street vendors with global gadgets to be sold. West Africans on New York's Fifth Avenue in the 1980's are another example (see Stoller 2002). In Manhattan, fake Rolexes, sunglasses and all kinds of CD could be bought on the streets. Shoppers could also buy fake Rolexes at the world famous Xiu Shui Market, in Beijing. DVD, shoes, shirts, sweaters, coats, leather jackets, real silk, most with brand names such as Timberland, Tommy Hilfiger, Nike, Adidas, Boss, Gucci, Prada, etc. could be found at this market that was demolished to become a mega shopping center. In a demonstration of how hegemonic economic globalization operates in Beijing, one "travel tips" website proudly states: "What was once the home of fake designer brands in Beijing is about to be replaced by a 'no fakes', 'full English speaking' mega mall."

## **Conclusions**

Non-hegemonic systems presuppose the existence of hegemonic ones. Such systems also entail the existence of brokerage practices, that I will call "connecting mechanisms". The latter are the real processes through which both systems communicate. In our examples above, politics proved to be the channel most capable of creating flows between grassroots globalization agents and those representing long established local, national and global interests. There are connecting mechanisms that clearly relate to economic interests. These are indicated through the money laundering that occurs in the transfrontier social space of Foz do Iguaçu/Ciudad del Este as well as in formal transnational

financial instruments such as the many credit cards with which a shopper can buy anything in Ciudad del Este or in the Paraguay Market in Brasilia. The differences between hegemonic and non-hegemonic systems are blurred in the liminal situations in which connecting mechanisms allow for the articulation of common political or economic interests of agents and brokers from both systems. Corruption is also a social practice that fosters interaction between both universes.

Non-hegemonic economic globalization processes are power fields that exist in relation to other established power fields that have the prerogative to normalize the activities involved, by setting the standards of what is and what is not legitimate. “Alter-native” economic agents seek access to wealth and to the social, cultural and political benefits arising from it. Since struggles between non-hegemonic movements and the establishment are mainly power struggles, they are often mediated by several state agents. The police are clearly involved when activities occur on the streets such as those of street vendors and markets.

The convergence of large numbers of people is a part of grassroots globalization. Here the more the merrier prevails. The multitudes involved in open air operations on the streets of Ciudad del Este and in Brasilia’s Paraguay Market express the numbers of people who participate in this particular segment of popular globalization and represent a form of overwhelming the State structures deployed to manage the situation.

Non-hegemonic and hegemonic processes thrive on each other. Grassroots economic globalization agents are not really aiming at constructing another world. In reality, they aim at becoming rich and powerful agents just like those who consider them illegal smugglers or pirates. It is the rich and powerful who, through the control of state apparatuses and wider political structures, create an anti-structural image of the workers and entrepreneurs from the grassroots globalization segment. Without such a social representation it would be impossible to control these activities and “informal markets” would proliferate much more than they actually do.

The construction of translocal systems and translocal cultures is also a common characteristic of other globalizations. Translocal links and networking are present in economic globalization from below. This indicates that “alter-native” transnational agents disregard or bypass the normative and regulating power of nation-states. Translocal political links are often studied under the rubric of transnational activism and global civil society. Transnational political cultures still need to be studied more in-depth ethnographically. Most existing studies are on transnational elites, for instance, Ulf Hannerz’s (2004) work on foreign correspondents or my own on the World Bank ethnic diversity (Ribeiro 2003). Studies on transmigrants, such as those by Linda Basch, Nina Glick-Schiller and Cristina Szanton Blanc (1994), do reveal transnational agents’ political or economic practices. Other works on migration and transnationalism also show how migrants upset existing boundaries and power structures creating translocal



networks and cultures (Kearney, 1996, and Sahlins, 1997, for instance). We still need however a stronger focus on real economic globalization from below. For this involves processes through which migratory labor and/or contemporary global nomads become involved as “alter-native” transnational agents in order to get their share of global flows of wealth.

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## Gustavo Lins Ribeiro

### GLOBALIZAÇÃO ECONÓMICA VINDA DE BAIXO

*As discussões sobre a globalização tendem a focalizar -se nos processos comandados por agentes poderosos numa perspectiva de cima para baixo. Neste artigo, explorarei processos económicos e agentes "alter-nativos" como uma forma de globalização não hegemónica. "Turistas-mercantes" e vendedores de rua de gadgets globais, por exemplo, são apenas a ponta do icebergue de uma economia global paralela. As suas actividades são não-hegemónicas porque desafiam as estruturas económicas onde quer que estejam. A globalização económica de base oferece um acesso aos fluxos de riqueza global que de outra forma não estariam disponíveis para as camadas mais vulneráveis de qualquer sociedade. O meu argumento assenta principalmente em exemplos brasileiros e paraguaios; no entanto, as evidências apontam para um verdadeiro sistema global popular.*

**PALAVRAS-CHAVE:** globalização de base, mercados populares globais, economia informal, transnacionalidade

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